



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Ethan Strimling, Treasurer
Democrats 2000
1311 L Street, NW, Suite 300
Washington, DC 20005

JUN 19 1996

Identification Number: C00230342

Reference: April Quarterly Report (1/1/96-3/31/96)

Dear Mr. Strimling:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The beginning cash balance of this report should equal the ending balance of your 1995 Year End Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-On Schedule H2, you have failed to check the Type of Activity box for several activities/events. Please amend your report to correct these omissions. 11 CFR §104.10(a)(1)

-On Schedule H2, you have failed to check the ratio type box (i.e., NEW, REVISED, SAME AS PREVIOUSLY REPORTED). Please amend your report to correct this omission. 11 CFR §104.10(a)(1)

-On Schedule H3, you have failed to provide the NAME OF ACCOUNT for a transfer(s)-in. Please amend your report to identify the full name of the non-federal account from which each transfer-in is made. 11 CFR §104.10(a) and (b)

-On Schedule H3 supporting Line 18 of the Detailed Summary Page, you have not identified the event(s) for which transfers were received. Please amend your report to include this missing information. 11 CFR §104.10

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to check the appropriate CATEGORY box for the payment(s) made to various vendors. Please amend your report to disclose the appropriate category.

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-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule H4 supporting Line 21(a) of the Detailed Summary Page. 2 U.S.C. §434(b)(3) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by clarifying the nature and purpose. 11 CFR §104.11

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): Oct Pros Mailing, 2nd renewal,

DEMOCRATS 2000
PAGE 3

Oct Pros, 3rd renew, 1st apl. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule H4 of your report discloses loan repayments, however your committee has not disclosed the receipt of a loan on a Schedule C. Loans must be continuously reported until they are either repaid or settled 11 CFR §104.3. Please amend your report to clarify this discrepancy.

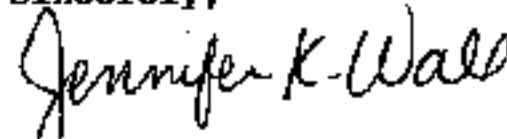
-Please note that event year-to-date totals should be reported cumulatively by category of event.

-Schedule H4 of your report discloses payments to Century National Bank (CNB) for interest payments on a non-federal loan. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(1). However, a payment for a 100% non-federal event does not fall within the definitions of an allocable expense and may constitute an impermissible transfer of funds received by your federal account from your non-federal account.

The Commission recommends an immediate transfer of the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Jennifer K. Wall
Reports Analyst
Reports Analysis Division

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